

A young girl with glasses and a leopard print sweater is playing with dolls. She is holding a doll with long pink hair and a blue leopard print top. Another girl is partially visible on the left, also playing with dolls. The background shows a pink dollhouse and other toys.

chancesFOR
CHILDREN
BUTLEuk

**BUTLE UK
ANNUAL REPORT
AND FINANCIAL
STATEMENTS
2022-23**

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MESSAGE FROM THE CHAIR OF TRUSTEES

As we move into the fourth year of our 2020-25 strategy: 'Working Together for Children and Young People', it feels like Buttle UK is at a critical moment. Our work has never been needed more and our annual grant funding is at the highest we have delivered in our history.

This is in response to the significant challenges that children and young people have had to face since 2020 and are set to continue. We are taking a long-term view regarding our grants funding, continuing to double the value of our pre-covid offer. We can do this by extending the 'Stepping Up' commitment we have made from our endowment, having already spent an additional £2m over the last two years in addition to significant fundraising support from our donors. Combined, this gives us the basis to deliver a higher level of support for at least the next four years. It also provides us with both a positive challenge; to ensure we can deliver this funding to the communities we serve, and a time-bound opportunity; to develop our fundraising in the meantime and therefore continue a higher level of support for children and young people across the UK for years to come.

Poverty has tightened its grip on so many more children and young people this year. 4.2m children in the UK are currently living in poverty, with expectations that this figure will continue to increase due to the challenges faced in the cost-of-living crisis. This is illustrated, very bleakly, in our latest annual State of Child Poverty research, which shows that education has become a luxury an increasing number of families can no longer afford. One social worker sums up the scale of the challenge: 'I have never known times that have been as bad as it is today. Children of this generation do not stand a chance in life; it is so wrong that the families that we work with think that how they are living is normal and accept it.' This is not the kind of society any of us want, we must do more. This year, as we deliver our biggest funding budget yet for children and young people, we will be focusing on the diversity of the communities we support through our grantmaking and highlighting

the impact of our work across the UK. Our grants programmes can help many in the most challenging situations, but we cannot reach everyone. Whilst our focus is to support children and young people right now, we also must share the insights of our work to create further positive change for the future. We will therefore work with the End Child Poverty coalition, and others, to call for wider change for all children held down by poverty and crisis.

The opportunity we have to develop sustainable fundraising growth also comes at a time when other key strategic initiatives are coming to fruition. We are now actively involving children, young people, parents/carers, and frontline workers in the development of our organisation and our work. Within the next year our Youth Panel and Advisory Network will be fully established in order to continue this work into the future. Our understanding of co-produced and collaborative grant-making is also being transformed through the progress we are making with a new gendered poverty programme in Middlesbrough. We are working there to develop grant giving in partnership with mothers and carers who have direct, current experience of poverty - an exciting collaboration with Turn2Us and Smallwood Trust.

So many children and young people in the UK do not have access to the most basic items and activities. We all know the importance of these things from our own experiences, to be able to grow up healthy and happy and to further our future chances in life. Every child deserves the chance of a healthy and happy future. So, we will work harder and go further - in these toughest of times - to support that vision. Please do continue to stand alongside us.



Jill Dinsmore, Chair of Trustees

ABOUT BUTTLE UK

Buttle UK is a charity dedicated to helping children and young people in the UK who have experienced crisis, live in financial hardship and deal with multiple challenging social issues. We have been doing this since 1953.

We provide support designed to improve emotional, educational and social outcomes through our Chances for Children grants and, for some children whose home environment is particularly disruptive and chaotic, grants which allow them to go to boarding school. All our grants are designed to help provide a safe and nurturing environment to grow up in and access to activities that promote wellbeing and help strengthen support networks. Ultimately, we aim to increase the capacity of children and young people to engage in education and improve their social and emotional wellbeing.

We focus our support on grantmaking because this is where we have expertise and experience to make the biggest difference. Buttle UK operates across the UK and, in 2022-2023, provided £4 million in timely, individually targeted grants to support 4,378 children and young people. There are fantastic organisations fighting for systems change to build long-term solutions to end child poverty. Our work generates extensive data and insights into levels of vulnerability and poverty from those with direct experience and the frontline teams that they work with. We share what we hear and learn with the wider social care sector to support positive change for children and young people in crisis and poverty.

Buttle UK provides grants for children and young people in crisis and who are financially excluded.



Overall aim

We believe that all children across the UK should have a chance for change. We aim to ensure “the maintenance, education and advancement in life of children and young people who are ordinarily resident in the United Kingdom who are in need of financial assistance, with a preference for children who are, or were, adopted, children of lone parents or children who are orphaned and who have or are being deprived of a normal family life.”

These aims are consistent with the guidance on public benefit provided by the Charity Commission for England and Wales. In planning activities, and reviewing grant policy and criteria, Trustees consider the ‘public benefit requirement’, and are confident that all activities we undertake demonstrate this requirement.

PURSuing OUR STRATEGIC GOALS IN THE COMING YEAR

As we move into the fourth year of our ‘Working Together for Children and Young People’, 2020-25 strategy, it feels like we are at a critical moment for Buttle UK. Our work has never been more needed. Our grants fund will be the highest we have delivered annually in our history. This is in response to the significant challenges that children and young people have had to face over the last three years. The additional ‘Stepping Up’ commitment from our endowment, and significant fundraising support from our donors, means that we can continue to offer a higher level of support for the next 3-4 years.

Our 2020-25 strategy pushes for continuous improvement in our grantmaking, working in collaboration with other grantmakers and charities, calling for wider change for children and young people in poverty, and involving their expertise in the future direction of our organisation. The opportunity we have to develop sustainable fundraising growth also comes at an exciting time, when we are well set to begin involving the communities we support in the development of our organisation and work, through our Youth Panel and Advisory Network. Our understanding of co-produced and collaborative grant-making is also bolstered this year as we progress our pilot of a gendered poverty programme. Here we are working with Turn2Us and Smallwood Trust alongside mothers/carers in Middlesbrough who are living in poverty.

We will also use our relationship with the End Child Poverty coalition to support its call for change as we head into a likely election year in 2024. Because, whilst our focus is to support children and young people right now, we also must share the insights of our work in order to create further change in the future for the communities we support.

Our key strategic pillars:

Pillar 1

Creating Chances for Children 2.0 for more children in crisis

We continue to learn about our Chances for Children grants every day. Refining and developing them to ensure we support a wider range of crises affecting children and young people is a key aspect of our five-year strategy. Crucial to this development will be to focus on the clear purpose of our grants in the short term and long term; the difference we aim to see and can prove through direct evidence, and that we would like to see through relevant broader research. We will increase the support offered through our Chances for Children grants to more children and young people in crisis and align these grants with our Support for Boarding grants to offer integrated, individually focused funding by everyone in our Grants Development Team.

Through our grants, Buttle UK gives children and young people in crisis the power to shape a better future for themselves. We aim to bring lived and learned expertise of families and professionals into Buttle UK, and for the voices of children and young people to help shape and energise our organisation. We want to move away from the historical approach of grant-giving organisations, i.e. that this money is ours, and families, young people and professionals must justify why they are deserving of financial help in order for us to give any of our money out to them. This does not sit well with our approach as a charity which is child-focused and empathetic, and it further disempowers those who already face significant hardship and challenges in their lives. Of course, we still need families to tell us why they need help and – because there is only so much money – we have to make decisions based on whose circumstances best fit our criteria. But we know there are ways for us to be more transparent and open about our grant decisions, and for us to be more accountable to those who we are here to support.

Pillar 2

Co-production and Accountability

Throughout our history we have built a significant network of individuals and organisations with whom we can collaborate to help further the impact we have as a charity for children and young people across the UK. Collaborating with key stakeholders will enable us to increase the number of children and young people our funds support and improve the impact and experience of our support by working as a collective, rather than a single unit. With an improved, collective offer, we will then look to collaborate on joint funding bids/partnerships.

Pillar 3

Collaborating to maximise the breadth & impact of our support

Through investment in fundraising, we will build support for our Chances for Children grants from the general public, corporates and trusts, and therefore be able to offer more children and young people in crisis these grants each year. We will build strong fundraising income streams, to work alongside our endowment, that help create a sustainable funding base for the organisation - during and beyond the period of this strategic plan.

Pillar 4

Income Growth

Pillar 5

Know, Learn, Lead: Building a Future-Ready Team

We recognise that our people and team are the single most important resource we have to achieve our strategic goals. We envision building an adaptable team with a strong trust-focused culture, that gives people the confidence to push the boundaries on what we can achieve together.



Our cross-cutting themes

Our strategic pillars will be influenced by, and have an impact on, other areas of our work. Key cross-cutting themes are:

Equity, Diversity and Inclusion – We aim for all our staff and trustees to become inclusive by instinct in the way we work at Buttle UK. We believe that we can build better grant support for children and young people by embracing diversity across our team. Diversity of thought from different demographics is vital to ensuring our grants remain relevant for those we work with. We must also support a diverse range of communities in our grant giving and adapt our processes to enable this.

Impact Measurement – Our impact measurement will be aligned to our Theory of Change so that everything we do is measured against our purpose. We will know when we are successful in our interventions, and what we are not doing well, so that we can continuously improve our work.

Marketing and Communications – Since changing our grant giving from ‘basic essentials’ to Chances for Children grants we have updated much of our communications, but key external communication tools highlight what we do, not why we do it. Using the Theory of Change to focus on our purpose will have a major effect on our internal and external communications messaging. Our fundraising growth strategy will also influence our communications.

Technology – Technology can provide the exponential difference we need to ensure the best possible service and impact for children and young people we work with. We will consider the enabling power of technology across each of our strategic themes, working with experts where needed and not being afraid to lead the way where we feel the biggest difference can be made.

Based on this strategy, we have set the following key objectives for 2023/24:

A) Chances for Children 2.0

We will deliver 3,166 Chances for Children grants, supporting 5,500 children, with a budget of £4.5m. A diversity review of our Chances for Children grants, with actions, will be completed. We will also support 63 young people through our Support for Boarding programme with a budget of £900k, whilst continuing its re-development and future plans. Additionally, we will fund (£100k) and complete the pilot and evaluation of our co-produced Gendered Poverty Programme with Turn2Us and Smallwood Trust. Our full grants budget to support children and young people will be £5.5m.

B) Co-production and Accountability

We will recruit 12 young people to a Youth Panel and 100 individuals to an Advisory Network, building engagement across the organisation, including with trustees.

C) Collaboration

We will publish our individual grants data on 360Giving with the GMA/ACO and build advocacy relationships with appropriate organisations alongside our work with the End Child Poverty Coalition to advocate for change for children, families, and young people.

D) Income growth

We will raise funds to ensure the total available to spend on our grants in 2023-24 is £5.5m and target £2.5m income (in addition to funds from the National Lottery Community Fund for 24-25). We will also work with the trustee board to develop a long-term growth strategy.

E) Know, Learn, Lead

We will clarify and improve our home/blended working model for all roles and complete plans for a move away from our current office base.

Our Grantmaking and Theory of Change

The children and young people we support are living in severe poverty, on average on incomes of less than £18,000 per year, well below recognised minimum income standards¹. They suffer significant deprivation as a result. Unfortunately, everyone we support also faces, or has been affected by, issues such as domestic abuse, drug and alcohol misuse, estrangement, illness, distress, abuse, neglect, behavioural or mental health issues.

Our funds support children and young people to help them achieve personal and transformative change to move on from crisis. Each case is individual so what is offered via our grants varies too. Frontline workers, who make the applications on behalf of children and young people, work with them to find out about their needs as well as their interests and ambitions. Our financial support assists with improving emotional, mental and social wellbeing and increases young people's capacity to engage with education and learning.

This can be as simple as a new school uniform to help them settle in school; support for family or play therapy; or membership of a club or activity so that they socialise and have opportunities to make friends. Many children we help, escaping domestic abuse, have no belongings and may have been moved hundreds of miles across the UK to escape the perpetrator. For them we can help with items like beds, toys, clothes or even a TV. Our grants help children to live a life that is a little more normal.

Inflation has had an impact on how much we can provide, so we increased our upper limit to £2,200 this year and in 2023-24 it has increased again since, to £2,400.

We have learnt from our Chances for Children grantmaking that:

- A grant of £1,500 - £2,000 has the potential to make a lasting difference and support the family to move beyond crisis, towards a genuine turning point in their lives.
- Our grants help service providers to work beyond funding and procedure constraints and so they can do more for their clients, building trust and achieving better outcomes.

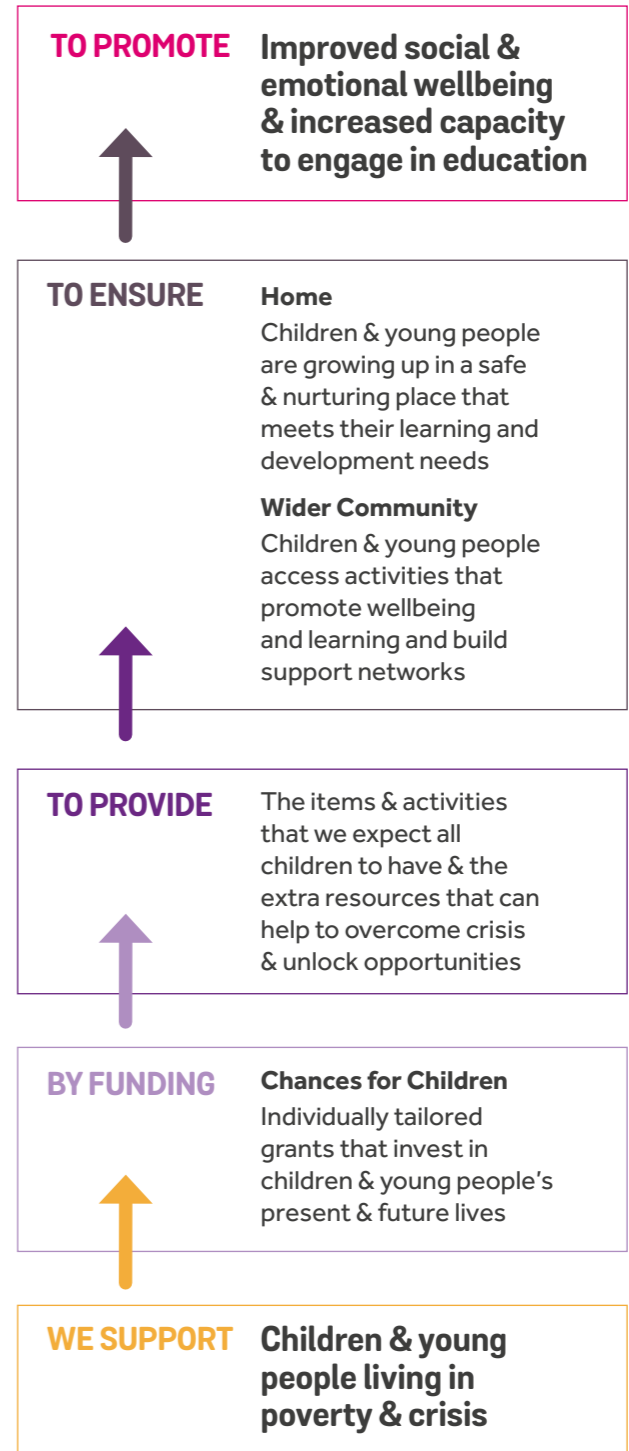
Applicant organisations sign up to the grant terms and conditions for all grants and submit receipts against spend. We monitor grants closely for misspend, misuse or fraud and act quickly to address inconsistencies or issues.

Our boarding school offer supports a small number of children and young people, aged between 11 and 16, whose ongoing home environment is so challenging that there is a risk of family breakdown. We have been supporting boarding places for young people for 70 years. We have seen that boarding can support a child's developmental needs through providing routine, increased stability and emotional and social support. The level of aspiration offered by a boarding education can also help to raise a young person's educational attainment.



1. Joseph Rowntree Foundation estimated that in April 2022 a single person needs to earn £25,500 a year to reach a minimum acceptable standard of living. A couple with two children needs to earn £43,400 between them.

BUTTLE UK THEORY OF CHANGE



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ACHIEVEMENT, PERFORMANCE & PLANS FOR THE FUTURE

Achievements against 2022/23 aims and objectives

Through our direct grant giving, we can create a positive change to children and young people's lives, giving them a chance to focus more on their education or gaining employment and lifting them out of a crisis at a critical time.

We set the following goals in 2022/23 to further this work, in line with our overall strategy:

a) Chances for Children 2.0

We will deliver 2,500 Chances for Children grants across the team and embed our new application forms to improve delivery, impact, diversity and understanding in our grantmaking.

b) Co-production and Accountability

We will resource, plan and engage with a Youth Panel and Advisory Board to support our decision making in the organisation.

c) Collaboration

We will complete the inception phase of our co-produced Gendered Poverty Programme and develop a system with 360Giving and the ACO to share individual grantmaking data externally and collectively.

d) Income Growth

We will aim to achieve a stretch target of £2.5m to spend in year and continue to test an individual giving fundraising approach.

e) Know, Learn, Lead

We will embed our 'People & Culture' offer for all staff and improve our cross-team work and information sharing to support our blended working approach.

Key Achievements in 2022/23

- > In 2022/23 we have awarded **2,314 grants**, reaching **4,378 children and young people**, including 111 boarders.
- > We have spent **£3,092,256** on Chances for Children Grants and **£881,684** on Boarding, meaning a **total grant spend of £3,973,940** within the year.
- > We have continued to hold a higher line of support during the Covid-19/ Cost-of-Living crisis. This includes delivery of our second £1m tranche from our 'Stepping up' fund. As a comparison, we delivered a total of **2,550 grants** supporting a total of **4,519 children and young people** across the full year in 2021/22 with higher Covid funding support.
- > The fundraising team has successfully raised **£3.96m**. £2.52m of this has been allocated towards Grant awards for the year 2022-23. The remainder of the fundraised and received funds amounting to **£1.45m** will be carried forward and allocated towards the 2023-24 budget.
- > We have created a shared vision for co-production across Buttle UK, **establishing policies, processes and systems**.
- > We have **involved young people** in the work of our organisation, interviewing all new staff members as part of our recruitment panels, leading the creation of our **'Surviving Estrangement'** report and highlighting these challenges in the media and on conference platforms.
- > We have developed and delivered our new **pay progression process** to recognise and develop staff competency as a part of our **'People and Culture' offer**.
- > We have reviewed and updated our recruitment process for staff and trustees with an aim to **improve the diversity, and inclusivity** of Buttle UK.
- > Worked with the **Grantmakers' Alliance** and **360Giving** to enable all individual grantmakers to share our **grants data transparently**.



Buttle UK's Equity, Diversity and Inclusion (EDI) Strategy – Our journey to become inclusive by instinct.

Our vision for this strategy is that our Trustees and Staff will have a deep understanding of EDI, the self-awareness of how it relates to the organisation's work and the systems we work in. We will have a continued process of engagement, reflection and action taken. We will become inclusive by instinct. Our annual Business Plan sets specific goals for the year to ensure constant reflection on improvements and identifies areas that need further support.

Our work against these goals in 2022-23 is highlighted below:

1) We will become inclusive by instinct and represent the communities we aim to support. We have updated our trustee and staff recruitment processes to support a more inclusive approach and to strengthen the diversity of our full team. This process is detailed further in the governance section of this report. We have also published details on the diversity of our current trustee board on our website which can be viewed here; <https://buttleuk.org/equity-diversity-and-inclusion>. Our staff recruitment process additionally supports positive action for any new role at Buttle UK, focusing on supporting applications from those that:

- are from the global majority
- have lived experience in relation to the issues that Buttle UK seeks to tackle
- don't have socio-economic privilege, and/or identify as working class
- identify as D/deaf or disabled or both

To support applicants through the recruitment process, we also commit to:

- Paying for childcare for the hours in and around the interview process
- Supporting any accessibility needs in the application and interview process
- If interviews are face to face we will cover the cost of reasonable expenses to attend the interview

Training on unconscious bias, disability awareness and LGBTQ+ has also been provided to staff and trustees this year.

2) Improve the access and experience of children and young people that could benefit from our grants. This goal closely aligns with the work we are doing within our co-production and accountability strategic pillar to work closer with the communities we support by building a Youth Panel and Advisory Network to engage with our staff and Trustees.

3) Holding ourselves to account and sharing our EDI challenges and achievements with others. Overall, our focus has largely been on the first two elements of the strategy as we build our own knowledge and review improvements we can make internally. As this continues, we will begin to share our learning and work with other organisations to further collective change in the grant-making sector, particularly for organisations that support individuals.

Our Trustees are accountable for ensuring that the organisation has appropriate structures, process and resources in place so that EDI is embedded into Buttle UK, and monitor progress through Buttle UK's annual business plan. Please do read more about our EDI Strategy here; <https://buttleuk.org/equity-diversity-and-inclusion/>

THE DIFFERENCE OUR SUPPORT MAKES

MOHAMMAD AND HASAN

Asma and her two sons, Mohammad (7) and Hasan (11), had to flee from the North to the South of England after Asma experienced domestic abuse from the boys' father, which they both witnessed. Mohammad and Hasan were both home-schooled when they lived in the North, so have missed out on many opportunities for socialising with their peers and with their development. When they fled their abuser's home, they had nothing.

Since moving to the South, the family were placed in temporary accommodation and were then awarded a permanent home. The boys are attending a new school. Asma is on low income and their new home was unfurnished, without any of the essentials. She managed to purchase carpets and her support worker helped her get pillows and duvets, but the family were sleeping on the floor.

With their Chances for Children grant, we awarded funding so the boys could have a bed to sleep on with a mattress; toys and games; uniforms for their new school (thanks to our partnership with Asda); a fridge freezer to store food and a washing machine. So that Asma could spend some quality time with the boys and help them move on from their crisis and upheaval, we also funded a family trip to Legoland so that they could spend some quality time together and have fun.

With their Chances for Children grant, we awarded funding so the boys could have a bed to sleep on with a mattress; toys and games; uniforms for their new school (thanks to our partnership with Asda); a fridge freezer to store food and a washing machine.

ELIZABETH

Life had always been challenging for Elizabeth (19), who never truly felt comfortable in her body. She was already suffering from emotional, physical and financial abuse at home, so when she made the brave decision to come out as transgender to her family, the abuse only got worse. Due to the abuse, Elizabeth's intrusive thoughts only got worse as time went on. She was expected to wake up at 5 every morning to clean the house and would have to cook every meal for the family. She felt that she was being treated as a slave in her own home.

Elizabeth's parents did not support her in her transition from male to female and restricted her ability to express herself socially and visually. Elizabeth was able to move into a local hostel which supports young people under the age of 25 and was able to access support from a charity supporting homeless young people. Through this, she was able to start volunteering for a local mountaineering charity that specialises in environmental care. And this allowed her to begin meeting new people. Whilst all of this was going on, she was maintaining her studies of Level 3 Music Technology at college.

Elizabeth dreamed of moving on to studying for a degree in music composition. Our Chances for Children grant was able to provide Elizabeth with a laptop to be able to run all the software she needs to finish her college course and that she needs for music composition. We also provided her with headphones to accompany the laptop, some new bedding and furnishings to make her experience in the hostel more comfortable, some art supplies so that she could express herself creatively and some new clothes that fit her gender identity.

Our Chances for Children grant was able to provide Elizabeth with a laptop to be able to run all the software she needs to finish her college course and that she needs for music composition.

JAMES

James is 15-years-old who lives with his mother. His mother has significant mental health challenges and frequently receives support in hospital for these. James is witness to his mother's mental health struggles and is the responsible adult in the home when his mother is in crisis. James has an older brother who lives away from the home but takes care of James when his mother is admitted to hospital. Boarding was seen as an opportunity to give James stability and Buttle UK has been supporting his attendance at boarding school for a number of years.

James has been thriving socially in school; however, he has struggled with some of his learning during the last academic year. Despite this, the school have shared that he is still making excellent progress. James enjoys taking care of his physical health by exercising regularly in the gym and he has a stable group of friends at school. In recent mock examinations, James performed well, and he is hoping to remain at his current school for Sixth Form.

Boarding was seen as an opportunity to give James stability and Buttle UK has been supporting his attendance at boarding school for a number of years.

Note: names have been changed to protect anonymity



THROUGH OUR GRANTMAKING

In 2022–23:

We supported **4,378 children and young people with 2,314 grants.**

Between 1 April and 31 March 2023, we spent **£3,973,940** across both grant programmes. **£3,092,256** on **Chances for Children Grants** and **£881,684** on **Support for Boarding**.

Against our main areas of impact, we awarded:

- > **£1,921,408**
towards education, training and employment (this includes £870,590 towards boarding school fees)
- > **£1,379,125**
towards safe and equipped homes
- > **£673,587**
towards social & emotional wellbeing

The average grant awarded was £1,404.

Through our Chances for Children grants, the top 10 items and costs that we funded are in the table on the right.



FURNITURE & HOME FURNISHING

 **2,346 items** **16% | £484,320**

LAPTOP/TABLET

 **1,635 items** **14% | £428,145**

BEDS & BEDDING

 **1,461 items** **13% | £392,775**

CHILDREN'S CLOTHES & FOOTWEAR

 **1,310 items** **9% | £269,253**

TOYS, BOOKS & GAMES

 **1,530 items** **8% | £251,037**

WHITE GOODS

 **654 items** **6% | £195,040**

SCHOOL UNIFORM

 **2,646 items** **6% | £168,979**

SOCIAL ACTIVITY/DAYS OUT

 **1,069 items** **5% | £164,017**

CARPETING & FLOORING

 **431 items** **5% | £139,959**

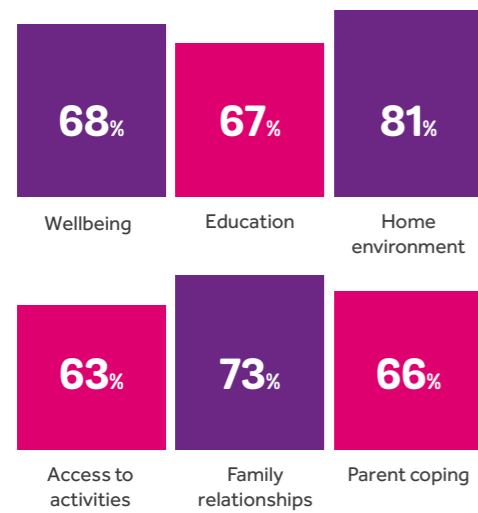
IMPACT OF OUR GRANTS

We have continued to collect regular evaluation data from grantees at 3 months after receiving their grants. Evaluation data shows consistently high levels of improvement, particularly for family relationships and the home environment. The latter has seen an increase of 10 percentage points since last year. However, since 2021/22, there have been drops in the improvement scores for wellbeing (-5%), education (-4%) and parent coping (-10%). We know that these are very challenging socio-economic times for families and young people, and that wider contextual factors are likely to be influencing our impact. This is explored in our 2023 State of Child Poverty Report.

FAMILY

Key outcomes reported three months after the grant

Percentage of respondents who reported an improvement (No = 412)

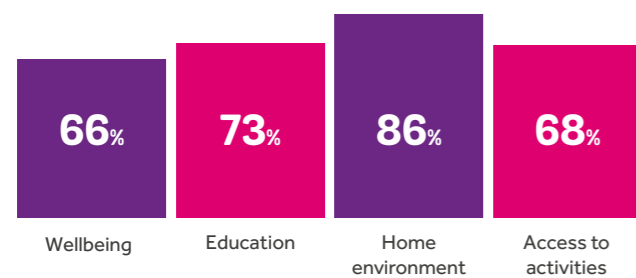


ESTRANGED YOUNG PEOPLE

Key outcomes reported three months after the grant

This year, we can report on the improvement scores for Estranged Young People separately following a change in the survey practices for this group. Though the cohort is small, it is encouraging to see that young people do consistently rate positive improvements across the areas we measure for their age group. This is particularly evident in the home environment and education.

Percentage of respondents who reported an improvement (No = 35)



Our Equity, Diversity and Inclusion strategy is designed to create a continued process of engagement, reflection, and action, though which we aim, as an organisation, to become inclusive by instinct.



Below is data on our applications and awards split by race and ethnicity, compared to population data from the 2021 England and Wales Census. We will publish further analysis, including data from Wales at a later date. In the meantime, we are using this data to understand where we need to do outreach and to monitor our work.

RACE AND ETHNIC GROUPS (AS DEFINED IN THE 2021 CENSUS)	% ENGLAND POPULATION 2022 - 2023	% APPLICANTS TO BUTTLE UK 2022 - 2023	% AWARDS FROM BUTTLE UK 2022 - 2023
Asian: Bangladeshi	0.80%	1.80%	2.10%
Asian: Chinese	0.60%	0.10%	0.10%
Asian: Indian	2.50%	1.50%	1.80%
Asian: Pakistani	2.00%	4.30%	5.30%
Asian: Other Asian	1.30%	3.00%	2.60%
Black / Black British: African	1.80%	9.00%	9.10%
Black / Black British: Caribbean	0.70%	5.40%	4.50%
Black / Black British: Other Black	0.40%	1.50%	1.80%
Mixed or Multiple ethnic groups: White & Asian	0.70%	0.60%	0.40%
Mixed or Multiple ethnic groups: White & Black African	0.40%	0.60%	0.60%
Mixed or Multiple ethnic groups: White & Black Caribbean	0.70%	2.20%	2.30%
Mixed or Multiple ethnic groups: Other	0.70%	1.40%	1.50%
White: English, Welsh, Scottish, N. Irish or British	79.30%	58%	57.50%
White: Irish	0.70%	0.30%	0.30%
White: Gypsy or Irish Traveller	0.10%	0.60%	0.80%
White: Roma	0.10%	0%	0%
White: Other White	5.40%	5.50%	5.40%
Arab	0.40%	1.40%	1.60%
Any other ethnic group	1.20%	1.90%	1.60%
Race / ethnicity not disclosed to Buttles UK	NA	0.90%	0.50%



SUPPORT FOR BOARDING EVALUATION

In 2022–23:

We have funded **111 pupils** in boarding at a total value of **£881,684** (14 of them in partnership with Royal Springboard's Looked after & Vulnerable Children's programme). Our support, in partnership with schools, covers fees, boarding costs and items such as school uniforms, trips and extra-curricular activities.

Of the 37 pupils that completed their funding in July 2022 after GCSEs ad A Levels, the 19 for whom we have results for their GCSEs achieved the following:

- They took on average **9 GCSEs**, above the national average of just shy of **8 GCSEs**.
- **97%** of the GCSEs taken resulted in a score of **4 or above**, above the national average of **73%**.
- **78%** of this cohort achieved a result of **5 in both Maths and English**, above the national average of **50%**.

We aim to better understand boarders' wellbeing. Surveys completed with caregivers consistently rated the highest improvements in their child's: behaviour in class (80% overall improvement); towards their peers (78%); the quality of their friendships (87%), and access to extra-curricular and wellbeing support (92%). Other analysis suggest an overall improvement in wellbeing, but for some children, their wellbeing worsened. We talk to schools and parents when we identify any concerning signs.

A separate evaluation report on Boarding, available on our website, provides more detail.

FINANCIAL REVIEW

Statement of Financial Activities (SOFA)

The following summarises the key figures from the 2022/23 SOFA

ALL FUNDS	DIRECT COSTS £'000	SUPPORT COSTS £'000	2022-23 TOTAL £'000	2021-22 TOTAL £'000	CHANGE %
Income					
Investment			1,299	1,293	0.46%
Charitable activities			385	100	285%
Donations and legacies			2,039	1,622	25.71%
Total income			3,723	3,015	23.48%
Expenditure					
Raising funds			810	625	24.23%
Investment Manager Fees			348	371	-6.20%
Total Expenditure on Raising Funds			1,158	1,023	13.20%
Charitable activities					
- Grants to individuals and charities	3,092	614	3,706	3,854	-3.84%
- Grants for Children's Education	1,242	292	1,534	1,193	28.58%
- Research and Projects		72	72	49	46.94%
Total charitable activities	4,334	978	5,312	5,096	4.24%
Total expenditure			6,470	6,119	5.74%
Net expenditure before revaluation of investments			-2,747	-3,104	-11.50%

Total Fundraised income increased in 2022-23 by 40.76%. Additionally, funds amounting to £1.54m in restricted funds were raised in 2021-22, but not yet spent since receipt was during the final quarter of the year and these funds were therefore allocated to the 2022-23 year for spending on CCG.

The grants team continued to operate at full capacity and was on target for delivering the budgeted amount for the year in grants. The second tranche of the Designated Stepping Up fund was deployed which provided £1m of the charitable expenditure. Designated funds were drawn from Buttle UK unrestricted reserves.

Investment income was 0.46% higher than in 2021-22. This reflects good global corporate returns over the period, even though stock markets continued to be under pressure because of the geopolitical

headwinds caused by, among other things, inflationary pressures brought on by the war in Ukraine as well as the continued tightening cycle of global central banks.

The Drawdown from the endowment provided a total of £2,650k to fund overheads as well as the Support for Boarding programme.

The extract from this year's SOFA shows that the deficit of £2,747k, before the revaluation of investments, is greater than the Drawdown by £97k.

The total value of the endowment dropped 9.1% compared to prior year. This would have been greater had we not reviewed the strategic asset allocation. This moved 16% of investments in the endowment from stocks to fixed income. Additionally, the overweight positioning in GBP was reduced which protected returns as well.

Principal Donors

RECEIVED IN YEAR	AMOUNT (£'000)
Comic Relief UK	285
Gala Dinner	225
Garfield Weston Foundation	200
Asda	125
Graphite Capital	120
Postcode Children Trust	100
The Schroder Foundation	70
Aston Wood Golf Club	58
Colin Crawshaw	50
The Clothworkers' Foundation	40
Mercers' Charitable Foundation	39
The Cyril Taylor Charitable Foundation	36
Dulverton Trust	35
Ajaz.com	30
KPMG Foundation	28
Eleanor Hamilton Educational Trust	25
The Edward Gostling Foundation	25
Dreams Beds	10
Mat Waugh	10
The Charles Lewis Foundation	10
The Billingtons Group	9
Argo Global	5
Legacies	279
Anonymous gifts	472
Other donations	138
	2,424

Expenditure

The expenditure on grants and the associated administration and infrastructure costs of delivering those grants is shown in the financial statements with an increase of 4.2%. An amount of £389k has been included that relates to the joint funding of boarding school places with the Royal Springboard Trust until 2027. This reflects the continued high demand for Buttle UK services to our grantees and the ability of the charity to provide services. The grants team were operating at full stretch.

The 10-year grant history, by programme, is set out in the table below and this also shows the overall cost, as a percentage, of delivering a grant over that same period. For 2022-23 that cost of grants ratio came in at 18.47%. The board of trustees has set a level of 25% as a self-regulating level to ensure that support costs do not climb too high.

Overall expenditure on overheads increased in 2022-23 by 19.8% or £296k. This was largely as a result of Fundraising activities which resumed after the lull during the period of the Covid pandemic. Notwithstanding this increase in overheads, the result for the year is below the original budget which was set 11.35% higher at £2.025m. Notable categories of under-expenditure are staff costs which came in £59k lower than budgeted, Fundraising cost, which was budgeted at £373k and so was £68k lower than budgeted figures and IT spending, which contained higher depreciation expectations than were the case.

Net expenditure came to minus £2.747k (2021-22 minus £3.104m). This deficit was funded from the capital element of the total return allocation referred to below which amounted to a drawdown of £2.65m. Additionally the second tranche of funds from the Trustees Designated Stepping Up Fund were spent. These funds came from the unrestricted reserves of the Charity. In March 2023, trustees decided to continue with the Designated Stepping Up fund and this is detailed in the Reserves Policy section of this report.

The Endowment Fund is the Charity's principal asset in the balance sheet at £57.6million. In addition, there are £1.445m of restricted reserves, £1.978m of Designated Funds and £1.215m of unrestricted reserves at the balance sheet date.

Grant history by programme, with support costs as a percentage of total charitable expenditure, 2013–23

YEAR	SMALL GRANTS ⁵		CHANCES FOR CHILDREN ¹		BOARDING		DAY FEES ²		TOTAL		SUPPORT £'000	TOTAL £'000	%
	NO	£'000	NO	£'000	NO	£'000	NO	£'000	NO	£'000			
2013-14	11,888	2,689	-	-	312	892	106	116	12,306	3,697	666	4,363	15.30%
2014-15 ³	10,197	2,189	504	474	314	974	28	46	11,043	3,683	821	4,504	18.20%
2015-16 ⁴	9,148	2,321	583	596	323	991	14	26	10,068	3,934	934	4,868	19.30%
2016-17	9,408	2,603	576	414	276	917	3	7	10,263	3,941	1,047	4,988	21.00%
2017-18	11,505	3,144	946	593	242	866	1	3	12,694	4,606	1,369	5,975	22.91%
2018-19	4,093	1,000	1,580	1,765	186	752	0	0	5,859	3,517	947	4,845	19.55%
2019-20	0	0	1,411	1,363	182	790	0	0	1,593	2,322	828	3,672	22.55%
2020-21	0	0	6,211	4,139	122	642	0	0	6,333	4,781	920	6,210	14.81%
2021-22	0	0	4,398	3,188	121	937	0	0	4,519	4,125	909	5,034	18.06%
2022-23	0	0	4,266	3,092	111	1,242	0	0	4,377	4,334	982	5,316	18.47%

[1] These include the various enhanced package approach projects, Viz Anchor, Estranged Young People.

[2] This programme closed in 2013 and no further grants will be made.

[3] The increase in support costs as a % of total charitable expenditure from 2014 onwards is due to the enhanced package approach to grant giving which requires more caseworker input to build a bespoke grant that can make a more significant difference in a child/young person's life.

[4] The first-time application of the Charities SORP FRS 102 in 2015-16 led to a change in the way support costs were calculated. Governance costs were required to be included as a charitable activity cost for the first time.

[5] This programme closed in 2019 and no further grants will be made.

INVESTMENTS & INVESTMENT POLICY

The investment portfolio is managed by three fund managers. BlackRock manages a total of approximately £45.574million (March 2022 £50.489m) in a mix of active and passive funds investing in global equities and fixed interest. The portfolio of directly invested UK equities was sold down and closed during the period under review. The funds were instead invested in the BlackRock Developed Markets Sustainable Fund. There are also some non-discretionary holdings in property and private equity investments, predominantly held through funds. Additionally, Buttle UK holds an investment in the Mayfair PITCH fund, which is a property fund, with excellent ESG credentials. Ruffer manage approximately £13million in their Charity Assets Trust. The overall investment policy is to maximise long term total return, accepting a medium level of risk, such that the real capital value is maintained whilst allowing the Charity to fulfil its grant giving obligations. Whilst noting that performance is of paramount importance, the trustees have engaged with the need to include a sustainable investment framework within the investment strategy and have reflected this engagement in their updated statement of investment principles document. The performance of both managers is measured against market-based benchmarks, and monitored by an Investment Committee comprising six trustees, some with relevant financial services expertise. The overall performance in the year was negative as the value of the endowment decreased by 9%. However, the hedged part of the portfolio had a positive year in 2022 as a whole and was down only 4% when comparing 31 March 2022 to 31 March 2023 performance.

Buttle UK updated its Statement of Investment Principles (SIP) in order to more particularly align our investment strategy to take account of sustainable investment. The Trustees take their responsibilities as stewards of the Charity's assets seriously and strive to appoint investment managers who invest responsibly in keeping with the Charity's beliefs. This entails both excluding certain sectors, and ongoing engagement within sectors and with individual companies. The Trustees encourage their managers to engage with companies on issues that support our charitable beliefs. The Trustees seek to appoint investment managers who are actively involved in applying Environmental, Social and Governance (ESG) criteria across the investment process. In addition, the Investment Committee regularly reviews the investment managers' policies on ESG matters including monitoring their track record of positive engagement with businesses.

The Trustees encourage their investment managers to notify the Investment Committee of investment opportunities which will help Buttle invest according to the Charity's core beliefs. Both of our managers are signatories to the UN's Principles of Responsible Investment.

During 2022-23, Trustees actively managed their investment allocation strategy together with their Investment Managers. The main shift was to terminate the segregated UK Equity portfolio. The redeployment of those funds into the Developed Markets Sustainable Fund enabled a shift away from the UK stock market and so to become more focused on global markets. Additionally, the allocation to Fixed income investments enabled some cushioning from the volatility of the stock markets. The percentage of assets of the endowment that were invested in funds that pursued a focus on enhanced ESG criteria remained stable at 68.5% as at 31 March 2023.

The Trustees monitor the ongoing climate change debate and advocate active ownership and engagement rather than disinvestment as a general principle. This applies especially with regard to fossil fuels as the large oil and gas companies are the biggest contributors both to the ongoing exploitation of natural resources as well as being one of the biggest investors in renewable energy infrastructure.

Buttle UK endeavours to avoid investing in companies or organisations whose primary activities are detrimental to child welfare including the exploitation of child labour as this is contrary to the Charity's objectives. Specific sectors where the Charity does not knowingly invest are (1) the manufacture/dealing in certain weapons and armaments (2) payday lending (3) any company which derives more than 25% of its revenue from gambling, any company where more than 25% of its turnover derives from the production, distribution or sale of alcohol and any company where more than 25% of its turnover derives from the production, distribution or sale of tobacco.

The assets of the Graphite Capital Bursary Fund (£374k), and the Edward Gostling Foundation (£228k), are restricted investment funds and are carried in the balance sheet as deferred income. Both restricted funds are managed in separate accounts by Ruffer in their Charity Assets Trust, and they follow the same investment principles as are applied to the Buttle UK investment also held by them. A further amount of deferred income amounting to £154.4k is recognised in this year's balance sheet representing the balance of funds received from Mercer's Foundation in March 2021 for spending in the 5 years from March 2022 to March 2027.

Total return

In 2006, the Charity Commission granted Buttle UK a total return order, permitting the spending of the unapplied total return of its endowment, but with the key responsibility of balancing the needs of current and future children and young people we support.

Annually, the Trustees decide on an appropriate amount to allocate to unrestricted funds from the endowment, which can include an element of capital from the unapplied total return. Due consideration is given to ensure the real capital value of the endowment, as adjusted for inflation, is not affected by any allocation to unrestricted reserves. The split between the real capital value of the endowment, as adjusted for inflation, and the capital from the unapplied total return, as adjusted for inflation, is calculated annually, reported and then carried forward for consideration in future years.

The total return allocation was fixed by the Trustees at £2.65 million in 2022-23 for the ongoing regular activities of the Charity. The total drawdown in 2022-23 at £2.65m represents 4.3% of the that year's endowment value and this reflects the decision to draw on the accumulated unapplied total return to increase, inter alia, the funds available for grant giving. The Trustees keep the level of the sums withdrawn annually under review.

As mentioned elsewhere in this report, an amount of £1m of Designated funds was spent on CCG awards utilising excess unrestricted reserves over and above the Reserves policy.

The details of the movement on the unapplied total return are set out in note 16.

Reserves

The endowment fund of Buttle UK could be available to act as a reserve as a result of the Total Return Order awarded by the Charity Commission. Nevertheless, we highlight the future commitment to children in our Support for Boarding programme who may have awards granted to them over a period of six years. We will, however, continue to hold unrestricted reserves to enable flexibility in organisational or grant expenditure if a critical situation arises. We have selected the level of reserves after taking account of the most significant risks in our risk register. Our reserves will help to ensure that our invested funds can continue to drive long term growth to support the next generation of children and young people's wellbeing and capacity to engage in education. Therefore, the unrestricted reserves will maintain a balance that approximates three months of core organisational expenditure. This will be subject to annual review.

The Endowment Fund is the Charity's principal asset in the balance sheet at £57.6million (after taking account of the renewal of the Designated Stepping Up fund). In addition, there are £1.445m of restricted reserves, and £1.215m of unrestricted reserves at the balance sheet date. An amount of £2m has been earmarked by the Trustees as Designated Funds in the Stepping Up fund. These funds are to be drawn from the Endowment as required. Expenditure of the Designated Fund is to be made on CCG of which £1m during the year 2023-24 and the other £1m in equal measure during the following two years.

Going Concern Note

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern.

The financial year 2022-23 saw the charity continue to provide its services at a higher level owing to continued strong demand for its services.

The year 2022-23 saw a similar level of Chances for Children Grants (CCG) as the prior year with a total value of £3.092m grants awarded. This is thanks not only on the generosity of our donors, but also thanks to the second tranche of Designated funds amounting to £1m carved out of unrestricted reserves to be spent on CCG in 2022-23.

At the tail end of 2022-23 Buttle UK signed a five-year grant award with the National Lottery Community Fund for £10m. This will enable Buttle UK to continue to provide CCG at a higher level for longer. The CCG budget for 2023-24 has increased by 31% to £4.5m.

The value of the Endowment Fund decreased 9% over the year under review and was valued at 31st March 2023 at £60.8m (including the valuation of deferred income). Since 31 March 2023, the investment markets have continued to remain somewhat under pressure. The Endowment is valued at £59.8m as at 31 May 2023 which is a small decrease from the end of March value shown on the balance sheet. The drawdown from the endowment will be at £3.1m during the year 2023-24. This takes account of an increased budget investing in securing future fundraised income on a more regular basis.

A further £1m will be drawn from the Endowment to take account of the additional monies that the Trustees allocated to the Designated "Stepping Up" fund to be spent on CCG for the year 2023-24.

Cash reserves are healthy with cash balances at 31 May 2023 of £2.635m in restricted and unrestricted funds.

The restricted funds include donor funds carried forward that were unspent during 2022-23. In order to continue to roll out the 2020-25 strategic plan, management has recruited four additional members of staff including a Senior Finance Officer and two GDOs to handle the NLCF Grant. We have also added a part-time HR Advisor to the team.

Risk management

The Trustees have considered the significant risks to which the Charity is exposed, have a process of regularly reviewing those risks and have established systems and processes to manage them. They are of the view that an appropriate control framework is in place, recognising that no system of internal control can provide absolute assurance of elimination of risk. In addition, a 'blue sky' session considering risk is included in the trustee annual away day each year, inviting trustees to consider the most challenging situations that could arise for Buttle UK.

The highest risks may be summarized as follows:

(a) Financial – The investment portfolio is mismanaged or there are serious adverse conditions in the market, such that the capital value and income are seriously diminished.

Buttle UK employs respected investment managers, selected through a competitive process. Their performance is assessed against benchmarks by the Investment Committee on a regular basis with face to face meetings. An analysis of the investment management contracts is commissioned every five years. Risks associated with major stock market fluctuations are unavoidable. The policy on liquid funds would ensure the short-term continuance of Buttle UK's activities in all circumstances that can reasonably be foreseen. The investment managers have agreed with the Investment Committee a rebalance of the strategic asset allocation to include investments with ESG characteristics. There has also been a reduction in equity holdings to gain exposure to fixed income assets. The global investment environment is currently less positive than over the past 3 years. Inflationary pressures continue to impact on global monetary policy and central banks are increasing interest rates that have been a support to global equities. The markets are uncertain whether there will be a hard or a soft landing and this leads to higher volatility which is generally negative for returns. Fortunately, the Endowment portfolio is hedged 22% to limit any sharp downturn that might occur.

(b) Cyber Security – Computer operations or a cyber security event causes serious interruption to service provision and control.

Two-step verification is included on all our key systems at Buttle. Staff have been trained on cyber security and on using their Google accounts securely. We have also updated our Data Breach notification policy should an internal or external breach occur. An insurance policy is in place to compensate in case of cybercrime activity.

(c) Operational - The Grants web-based database fails, thereby creating an inability to receive, assess or award grants.

The database is an excellent system and is supporting the grant development officers well. Further development is continuously being added based on our changing needs alongside fixes to bugs. Major issues with the system are dealt with swiftly by the database consultancy.

(d) Operational - Grant programmes become open to wholesale fraud and abuse.

We have put in place and retained more due diligence and controls to monitor and manage risk. The mitigating measures include ensuring that the line manager at agencies are aware of grants awarded, that the grant recipients are informed

of grant awards and provided with our contact details in case of any real or perceived irregularity, and that receipts are actively managed. We have put in place due diligence for all applications plus guidance on how to respond and manage misspend, misuse and fraud. We limit new referrers to two live applications at any time. Checks and controls are continually reviewed and updated.

STRUCTURE, GOVERNANCE & MANAGEMENT

Charitable status

Buttle UK is a registered charity for the benefit of children and young people, administered and managed in accordance with the rules of a Scheme made by the Secretary of State for Education and Science on 26 March 1971, as amended by Charity Commission Schemes dated 19 August 1972, 22 February 1988, 26 October 1993 and 5 September 2006. Buttle UK is a registered charity in England and Wales under the Charity Commission and in Scotland under OSCR. The Charity Commission for Northern Ireland has begun registering charities, but Buttle UK has not yet been called forward to apply for registration.

Public benefit

The Trustees confirm they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Commission.

Governance

Buttle UK's Scheme provides for a minimum of eight Trustees and a maximum of twenty. The current fourteen Trustees provide substantial support and advice to the work of the Charity through Board meetings and Committee Meetings. Additional Committees are listed below:

- Governance Advisory Committee
- Investment Committee
- Grants Committee
- Campaign Board (volunteer fundraising committee).

Trustees acknowledge that governance is not a role for Trustees alone; it includes the way the Trustees work with the Chief Executive and staff to ensure that the Charity is effectively and properly run, and meets the needs of the communities we work with through a good, quality service. The Trustees confirm they have due regard to the Charity Governance Code and have used this in to make significant improvements in our governance in 2022-23 including strengthening our succession planning, opportunity to engage all board voices in meetings and planning our governance cycle for the year ahead.

No trustees are remunerated for their roles on the trustee board although expenses for travel and accommodation are paid, if requested.

Recruitment, induction and training of trustees

Buttle UK understands that a diverse board of trustees can improve the discussions and decision-making on the board. Our Trustee recruitment mirrors Buttle UK's staff recruitment process, actively seeking a diverse group of candidates. Applications are anonymized (in particular considering name, age, time spent in organisations and education). An EDI monitoring form is also required for each candidate, but this remains separate from any application and is used to monitor the diversity of our applications to ensure we can make improvements to our process where needed. A full recruitment pack is offered including details of the role, the diversity of our board, the dates of all board meetings and our plans for the year ahead. A mixture of SMT, Trustees and young people interview candidates who are sought from an open application process, and the role/s are advertised across a broad range of publications, websites and social media. A skills and diversity audit is carried out in advance of recruiting any trustee to the Board. Trustees are recruited for a period of three years with an expectation that this would be renewed, so a six-year term is usual. Renewal for a further term is possible in extenuating circumstances but resignation must occur after nine years.

Buttle UK's Trustee succession planning process considers a three-year time horizon and aims to improve how we meet current skills/diversity gaps as current Trustee terms finish and provides a stronger induction/learning period for an incoming Trustee. Better planning also means that incoming Trustees – no matter their background and previous experience – are welcomed to Buttle UK with the best support we can provide. The process supports new Trustees to buddy alongside current Trustees. This gives an opportunity to handover their learning, experiences and to support any transition. Current Trustees are also empowered to engage in thinking about their next steps with the Board by providing a clearer forward plan, offering the chance for them to have open conversations with the Chair/Deputy about their future on the Board.

It is recognised that Trustees have differing skills and time commitments, and that our governance model should allow flexibility in helping Trustees to offer these skills and time in the way that fits their needs as well as those of our organisation. Buttle UK offers ongoing training opportunities to Trustees, in particular around governance, investments and diversity. For Trustees with no previous experience on boards we also offer coaching support for the first year at least.

There are a number of functions and roles that Trustees are invited to contribute to, including the development of our future strategy, the policy of our grant giving programmes, the overseeing of

projects, support in developing partnerships to enhance our work, support our fundraising activities, audit, finance and investment, governance, education, and social care.

Fundraising disclosure

Fundraising at Buttle UK is undertaken by the internal fundraising team, a volunteer committee (the Chances for Children Campaign Board) and a professional fundraising agency who is a member of the Chartered Institute of Fundraising and Fundraising Regulator. The professional fundraising agency conducts door to door and private site fundraising on our behalf. We have a detailed contract and an agreed set of policies and approaches with this agency which are reviewed regularly.

The Board of Trustees regularly review the guidance produced by the Charity Commission on fundraising (CC20) and are satisfied that Buttle UK's practices conform with this guidance. Buttle UK is registered with the Fundraising Regulator.

There have been no reported failures by Buttle UK, or any person acting on its behalf, to comply with fundraising standards or regulation, in 2022/23 (or, indeed, at any point previously), and the same is true of complaints in relation to fundraising activities. All staff and volunteers representing the Charity for the purposes of fundraising have either a job description and process of internal appraisal (in the case of staff) or a clear term of reference (in the case of volunteers). There are regular meetings between volunteers and staff. As required by the Charity Commission guidance, Buttle UK has complied with both available guidance and legislation to protect vulnerable people and other members of the public from behaviours which constitute an unreasonable intrusion on a person's privacy, are unreasonably persistent or places undue pressure on a person to give money or other property. We ensure that our suppliers have an approach to protecting people in vulnerable circumstances and insist on checking their policies in respect of this as part of the tendering process. We regularly hold training sessions with our agency partner to make sure they meet our high standards and monitor their activities through quality checks during welcome calls to ensure they are maintaining these standards and agreed approaches; we receive sample recordings of telephone contacts.

We have an agreed process to screen people against the Telephone Preference Service register when selecting them for an approach by telephone; we do not share or sell data with third parties for their marketing benefit. We give our supporters the opportunity to opt out of communications and ensure we put in place appropriate intervals between fundraising approaches.

Management

The Chief Executive is responsible for the delivery of Buttle UK's objectives and related performance

management processes through the staff group. Board members are kept up to date on progression of the organisation's business plan through the inclusion of a tracker in the CEO's report in the quarterly board papers. Trustees continue to be kept informed of the activities of the Charity through quarterly trustee/staff seminars which will be arranged throughout 2023-24. An updated performance and development system ensures that staff work to objectives and that their skills development is encouraged and rewarded.

The Strategic Leadership Team (SLG) consists of the SMT and members of the staff team selected to co-lead on the development of our five key strategic pillars within the 2020-25 strategy. Each SMT member is responsible for ensuring we have appropriate members of the team working on each pillar and the key objectives for the year are completed. The staff members of the SLT will work with the appropriate SMT member to support them on this. Any member of the wider Buttle UK team will support delivery of the Business Plan and the SLT will ensure it is on course.

The Charity's pay progression process involves reviewing the salaries of all employees annually. The process used to review all staff pay annually focuses on three parts:

- 1) A benchmark review of similar job grades in the charity sector
- 2) A cost of living (COL) review, based on a review of changes to the Consumer Price Index (CPI) and charity sector COL benchmarking.

These will ensure we annually review the pay scales of all our job grades against the sector and in consideration of the cost of living. For greater transparency, pay scales for every job grade are shared with staff.

Finally, to ensure staff are rewarded for competency in their role, the third part of the process includes:

- 3) A discussion with line managers as a part of staff members' annual appraisal in Jan/Feb focussing on their level of competency. This section of the appraisal is also aimed to help staff to consider the Learning & Development support we can provide to improve skills/ability where needed.

Statement of the Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, Scotland and Northern Ireland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of

affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the Charity's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Haysmacintyre LLP have expressed their willingness to continue as the Charity's auditors.

Approved by the Trustees on 3 October 2023 and signed on their behalf by:


Jill Dinsmore Chair of Trustees


Mark Alexander Trustee

Reference and administrative details

Buttle UK, Registered Charity No - 313007
Scotland - SCO37997

Head office: 15 Greycoat Place,
London, SW1P 1SB

Trustees

Chair: Jill Dinsmore

Deputy Chair: Peter Orlov

Mark Alexander, Lucinda Baxter,
David Buttle, Chantelle Chamberlin
Tracey Dwabenah-Barnett,
Thomasina Findlay, Aaron McDonald
Rosemary Norris, Michael Seaton
Alex Tennant, Harriet Ward, Leo Wong

Staff

Chief Executive: Joseph Howes

Senior Management Team:

Chief Executive: Joseph Howes

Director of Fundraising & Marketing:

Richard Barron

Director of Finance & Administration:

Paddy Zervudachi

Head of Grants Development:

Clare McGread

Professional advisers**Investment Advisers & Manager**

BlackRock Investment Management UK Ltd
12 Throgmorton Avenue, London, EC2N 2DL

Investment Managers

Ruffer LLP, 80 Victoria Street, London, SW1E 5JL

Auditors

Haysmacintyre LLP, 10 Queen
Street Place, London, EC4R 1AG

Solicitors

Stone King, 16 St Johns Lane, London, EC1M 4BS

Property Advisers

Tuckerman, 27 Bream's Buildings,
London, EC4A 1DZ

Bankers

Virgin Money, 154-158 Kensington
High Street, London, W8 7RL

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BUTTLE UK

Opinion

We have audited the financial statements of Buttle UK for the year ended 31 March 2023 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2023 and of the Charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Chair's Statement and Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Charity; or
- sufficient and proper accounting records have not been kept; or
- the Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 24, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission and Office of Scottish Charity Regulator (OSCR), and the Trustee Investments Act, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, the Charity Accounts (Scotland) Regulations (as amended), Charities SORP (2019) and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the recognition of voluntary income and grant commitments. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the charity, particularly in relation to the recording of income and processing of payments and payroll, to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing and testing journal entries made in the year, particularly those made as part of the year-end financial reporting process; and
- Challenging assumptions and judgements made by management in their critical accounting estimates which comprise depreciation and amortisation, accruals and deferred income and bad debt provision.

Because of the inherent limitations of an audit, there is a risk that we will not detect all Irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP
Statutory Auditors,
10 Queen Street Place,
London EC4R 1AG

Haysmacintyre LLP

11 October 2023

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.



BUTTLE UK STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2023

All figures expressed in £'000	NOTE	ENDOWMENT FUND	RESTRICTED FUNDS	UNRESTRICTED GENERAL FUNDS	TOTAL 2023	TOTAL 2022
INCOME FROM:						
Donations & legacies	17	-	2,039	-	2,039	1,622
From charitable activities						
Comic Relief	17	-	285	-	285	-
Grants – Postcode Lottery	17	-	100	-	100	100
Investment	3	1,283	13	3	1,299	1,293
TOTAL INCOME		1,283	2,437	3	3,723	3,015
EXPENDITURE ON:						
Raising funds						
Voluntary income	4	-	-	810	810	652
Investment management fees	20	347	1	-	348	371
Total raising funds		347	1	810	1,158	1,023
Charitable Activities						
<i>Chances for Children</i> grants	5, 6, 7	-	2,304	1,791	4,095	3,854
Grants for children's education		-	217	928	1,145	1,193
Research & projects		-	-	72	72	49
Total charitable activities		-	2,521	2,791	5,312	5,096
TOTAL EXPENDITURE		347	2,522	3,601	6,470	6,119
Net income/(expenditure)		936	(85)	(3,598)	(2,747)	(3,104)
Transfers between funds	16	(4,644)	(6)	4,650	-	-
Net (expenditure)/income before other recognised gains/(losses)		(3,708)	(91)	1,052	(2,747)	(3,104)
Gains/(Losses) on investments	22	(4,359)	(4)	-	(4,363)	4,689
NET MOVEMENT IN FUNDS		(8,067)	(95)	1,052	(7,110)	1,585
Balances at 1 April 2022		65,671	1,540	2,141	69,352	67,767
TOTAL FUNDS CARRIED FORWARD		57,604	1,445	3,193	62,242	69,352

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

In accordance with Charities SORP FRS 102 charitable activities comprise both grants and the associated support costs allocated to each activity. Details are shown in notes 5 & 6. Full details of the grants given are shown in the Trustees' Report.

The notes on pages 29-42 form part of these financial statements.

BUTTLE UK BALANCE SHEET

AT 31 MARCH 2023

	NOTES	ENDOWMENT FUND (£'000)	RESTRICTED FUNDS (£'000)	GENERAL FUND (£'000)	TOTAL 2022 (£'000)	TOTAL 2021 (£'000)
FIXED ASSETS						
Tangible fixed assets	10	-	-	17	17	6
Intangible assets	11	-	-	27	27	28
Investments	12	57,516	602	2,463	60,581	67,046
TOTAL FIXED ASSETS		57,516	602	2,507	60,625	67,080
CURRENT ASSETS						
Debtors	13	88	322	78	488	471
Cash at bank and in hand	22	53	1,736	754	2,543	2,781
TOTAL CURRENT ASSETS		141	2,058	832	3,031	3,252
CREDITORS:						
Amounts falling due within one year	14	(53)	(899)	(146)	(1,098)	(655)
Net current (Liabilities)/assets		88	1,159	686	1,933	2,597
NET ASSETS BEFORE LONG TERM CREDITORS		57,604	1,761	3,193	62,558	69,677
CREDITORS:						
Amounts falling due after more than one year	15	-	(316)	-	(316)	(325)
NET ASSETS		57,604	1,445	3,193	62,558	69,677
FUNDS						
Endowment Fund	20	57,604	-	-	57,604	65,671
Restricted Funds	17	-	1,445	-	1,445	1,540
Unrestricted Funds						
Designated Fund	18	-	-	1,978	1,978	999
General Fund	19	-	-	1,215	1,215	1,142
TOTAL UNRESTRICTED FUNDS		-	-	3,193	1,215	1,142
TOTAL CHARITY FUNDS		57,604	1,445	3,193	62,242	69,352

Approved and authorised for issue by the Trustees on 03 October 2023 and signed on their behalf by:
Jill Dinsmore Chair of Trustees and **Mark Alexander** Trustee

The notes on pages 29-42 form part of these financial statements.

BUTTLE UK STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2023

	NOTE	2023 (£'000)	2022 (£'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	21	(3,615)	(4,235)
CASH FLOWS FROM INVESTING ACTIVITIES			
Income from investments	3	1,299	1,293
Purchase of fixed asset investments	20	(48,032)	(18,944)
Proceeds from the sale of fixed asset investments	20	50,134	19,983
Net purchase of fixed assets		(24)	(5)
Net cash provided by investing activities		3,377	2,327
Change in cash and cash equivalents in the year		(238)	(1,908)
Cash and cash equivalents at the beginning of the year	23	2,781	4,689
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		2,543	2,781

The notes on pages 29-42 form part of these financial statements.

1. Accounting Policies

a) Statement of Compliance

The financial statements are prepared under the historical cost convention modified to include the revaluation of fixed asset investments and in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The accounts are prepared in pounds Sterling (GBP).

b) General information

The Charity is an unincorporated charity registered in England & Wales (charity number 313007) and also a registered charity in Scotland (charity number SCO37997). The Charity's registered office is 15 Greycoat Place, London, SW1P 1SB.

c) Public benefit entity

The Charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern.

The financial year 2022-23 saw the charity continue to provide its services at a high-level owing to continued strong demand for its services as a result of the cost-of-living crisis.

At the tail end of 2022-23 Buttle UK signed a five-year grant award with the National Lottery Community Fund for £10m. This will enable Buttle UK to continue to provide CCG at a higher level for longer. The CCG budget for 2023-24 has increased by 31% to £4.5m.

The investment markets remain volatile, nevertheless the Endowment is valued at £53.5m as at 31 July 2023 which provides support to the continuing activities of the charity. The drawdown from the endowment will be at £3.1m during the year 2023-24. This takes account of an increased budget investing in securing future fundraised income on a more regular basis.

A further £1m will be drawn from the Endowment to take account of the additional monies that the Trustees allocated to the Designated "Stepping Up" fund to be spent on CCG for the year 2023-24.

Cash reserves are healthy with cash balances at 31 July 2023 of £3.392m in restricted and unrestricted funds.

e) Donations and legacies

Grants, donations, and legacies are accounted for when receivable. Where a donor imposes time restrictions on when a donation can be spent the relevant amounts are carried forward as deferred income.

f) Income from fixed asset investments

Dividend income is recognised on the basis of the ex-dividend date. Fixed interest security income is accounted for on an accruals basis.

g) Grants payable

Grants are given in accordance with the Rules of Buttle UK (approved 6 July 1987, subsequently revised by several resolutions drawn up by committees and approved by the Trustee Board). Grants are accounted for in the Statement of Financial Activities in the year in which they are authorised. Any amounts which have been authorised but which remain unpaid at the year-end are included within current liabilities in the balance sheet. Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

h) Expenditure

Expenditure is included on an accruals basis.

Costs of raising funds comprise those costs directly attributable to managing the investment portfolio, raising investment income and fundraising expenses. Fundraising expenses include an estimate of staff time spent on this activity in accordance with note 5.

Costs of charitable activities include grants made in their different categories, plus an apportionment of staff and overhead costs in accordance with notes 5 and 6. The cost of the overall direction and administration of each activity, comprising salary, operational and administration costs are apportioned on the basis of an estimate of staff time attributable to each activity. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Operating leases

Rentals payable under operating leases, where substantially all of the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straightline basis over the minimum period of the lease.

j) Tangible fixed assets

Fixed assets, including computer software, valued at £500 or more are capitalised.

Fixed assets are depreciated at rates calculated to write off the cost of each asset, less estimated residual value, evenly over its expected useful life, as follows:

Leasehold improvements	Over 5 yrs
Fixtures, fittings and computer equipment	Over 4 yrs
Intangible assets (database)	Over 5 yrs

k) Intangible fixed assets

Intangible fixed assets valued at £500 or more are capitalised.

Database	Over 5 yrs
Software	Over 3 yrs

l) Fixed asset investments

Listed equity shares and fixed interest stocks are included in the balance sheet at market values as at the year-end. Unlisted securities are valued at the most recent sale value or Directors' valuation.

Realised and unrealised gains and losses on assets held in a particular fund form part of that fund and movements are accounted for in the Statement of Financial Activities (SOFA).

m) Endowment fund

The permanent endowment fund comprises the original capital fund, and the unapplied accumulated gains on this fund, established to provide income for the Charity.

Buttle UK has adopted a total return approach to its endowment allowing both income and some capital gains to be spent in furthering the objects of the Charity. Further information is given in notes 2 and 20 to the accounts.

The fund is principally represented by the capital investments included in fixed assets, with the balance held as net current assets.

Gains on sale and revaluation of related investment assets are credited to the Statement of Financial Activities.

n) Restricted and unrestricted funds

Restricted funds are those the use of which is restricted by the conditions imposed by the donors.

Designated funds are those which Trustees have decided must be used for a specific purpose. The purpose of which is recorded in the charity's board minutes.

General funds are those used for the general advancement of the Charity's objectives. The General Fund represents the unrestricted funds of the Charity.

o) Pension scheme

Contributions to the defined contributions scheme are charged in the SOFA in the year they are due.

p) Staff Benefits

Accrued holiday pay is calculated and recognised at year end. The amount is included in creditors payable.

q) Financial instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

r) Significant judgement and sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 require the use of

certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies. There are no significant areas where judgement was needed other than on those already included in the accounting policies.

2. Endowment

The Endowment Fund was first established in 1937 to provide an income for the charitable and philanthropic work of the Charity. The Scheme made in 1971 by the Secretary of State for Education and Science (Under Section 18 of the Charities Act 1960), which now governs the operation of the Charity, perpetuates the terms of the original endowment. This provided for the fund to be retained, and only the income arising available to be spent.

However, on 28 March 2006 the Charity Commission granted an order to the Charity entitling it to adopt a total return approach to its endowment, and this approach was adopted as from 1 April 2006. This entitles the Charity to spend the unapplied total return of the endowment, but within the context of balancing the interests of current and future beneficiaries. The movements on the fund in the year are detailed in note 16.



3. Investment Income

	2023		2022	
	£'000	%	£'000	%
INCOME FROM INVESTMENTS:				
Equity shares & Property Funds	1,096	84	1,185	92
Fixed interest stocks	158	12	102	8
TOTAL	1,254	97	1,287	100
FX:				
Differences/Gains/(Losses)	38	3		
Interest on deposits	7	1	6	0
TOTAL INCOME FOR THE YEAR	1,299	100	1,293	100

4a. Allocation of Support Costs & Overheads (current year)

SUPPORT AND GOVERNANCE COSTS	TOTAL (£'000)	GOVERNANCE (£'000)	FUNDRAISING (£'000)	RESEARCH/PROJECTS (£'000)	SMALL GRANTS (£'000)	CHANCES FOR CHILDREN GRANTS (£'000)	SUPPORT FOR BOARDING (£'000)
Percentage (%)	100%	5.00%	38.40%	3.00%	0.00%	36.00%	17.20%
Staff costs (note 7)	906	51	248	51	-	375	181
Premises	219	11	84	7	-	79	38
Communications	94	5	36	3	-	34	16
IT & depreciation	96	5	38	3	-	35	15
Fundraising	307	-	307	-	-	-	-
Impact & Evaluation	23	1	10	1	-	8	3
Training & recruitment	36	3	13	1	-	13	6
Audit, legal & professional fees	50	3	19	2	-	18	8
Trustee	12	1	5	-	-	4	2
Bank and pre-paid card charges	45	2	17	1	-	17	8
Reallocation of governance	-	(82)	33	3	-	31	15
TOTAL 2023	1,788	-	810	72	-	614	292
TOTAL 2022	1,489	72	580	49	-	532	256

Basis of allocation:

Staff costs are allocated based on estimates of actual time worked on each activity. Other costs are allocated based on staff costs except for fundraising costs which are allocated to Fundraising only.

4b. Allocation of Support Costs & Overheads (prior year)

SUPPORT COST	TOTAL (£'000)	GOVERNANCE (£'000)	FUNDRAISING (£'000)	IMPACT & EVALUATION (£'000)	CHANCES FOR CHILDREN GRANTS (£'000)	SUPPORT FOR BOARDING (£'000)
Percentage (%)	100%	5.00%	38.40%	3.00%	36.00%	17.20%
Staff costs (note7)	896	51	248	36	379	182
Premises	183	9	71	5	66	32
Communications	46	2	18	1	17	8
IT & depreciation	101	5	40	3	36	17
Fundraising	164	-	164	-	-	-
Impact & Evaluation	6	-	3	-	2	1
Training & recruitment	21	1	7	1	8	4
Audit, legal & professional fees	25	1	10	1	9	4
Trustee	5	-	2	-	2	-
Bank and pre-paid card charges	44	2	17	1	16	8
General	1	-	-	-	-	-
TOTAL 2022	1,492	71	581	48	535	257
TOTAL 2021	1,416	57	496	39	579	244

5. Analysis of Charitable Expenditure

	DIRECT COSTS (£'000)	SUPPORT COSTS (£'000)	TOTAL 2022-23 (£'000)	DIRECT COSTS (£'000)	SUPPORT COSTS (£'000)	TOTAL 2021-22 (£'000)
Chances for Children grants	3,092	614	3,706	3,322	532	3,854
Support for Boarding	1,242	292	1,534	937	256	1,193
Impact & Evaluation	-	72	72	-	49	49
TOTAL	4,334	978	5,312	4,259	837	5,096

Included in the total expenditure of £1,242k for Grants for children's education is an amount of £389k that relates to future liabilities of the joint funding agreement with the Royal Springboard Trust for the period up to 2027.

6. Analysis of Grants to Individuals & Organisations

	RESTRICTED COSTS (£'000)	UNRESTRICTED/DESIGNATED (£'000)	2022-23 (£'000)	RESTRICTED COSTS (£'000)	UN-RESTRICTED (£'000)	2021-22 (£'000)
GRANTS TO INDIVIDUALS						
Chances for Children grants	1,846	1,246	3,092	2,321	1,001	3,322
Grants for children's education	253	989	1,242	226	711	937
TOTAL	2,099	2,235	4,334	2,547	1,712	4,259

7. Analysis of Staff Costs

	2023 (£'000)	2022 (£'000)
Salaries and wages	733	711
Social security costs	87	77
Employers contribution to defined contribution pension schemes	77	70
Other costs	9	35
TOTAL	906	893

The average number of employees during the year was as follows:

	2023 (£'000)	2022 (£'000)
Grant & project administration	10	9
Management & administration	3	4
Fundraising & promotion	5	5
TOTAL	18	18

The number of staff whose salaries exceeded £60,000, excluding employer pension contributions, and fell within the following bands were:

	2023	2022
£80,000 - £89,999	1	1
£70,000 - £79,999	-	-
£60,000 - £69,999	2	2

Employer's contributions totalling £26,624 (2022: £18,634) were made to a defined contribution pension scheme in respect of the above.

The total employee benefits, including pension contributions and life assurance premiums, of the key management personnel were £324,156 (2022: £263,636).

The Trustees were not paid or received any other benefits from employment with the Charity in the year (2022: £nil). No Trustee received payment for professional or other services supplied to the Charity (2022: £nil).

During the year a total of £11,543 was paid for training and subsistence expenses to or on behalf of twelve Trustees (2022: six, £4,649).

8. Related Party Transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties (2022: None). Donations were received from 2 Trustees and/or their spouse in the amount of a total of £10,641 (2022: £8,004).

9. Auditors' Remuneration

Auditors' remuneration comprised an audit fee of £19,100 (exclusive of VAT), (2022: £18,700).

10. Tangible Fixed Assets

	LEASEHOLD IMPROVEMENTS (£'000)	COMPUTER EQUIPMENT (£'000)	FURNITURE & FITTINGS (£'000)	TOTAL (£'000)
COST				
At 1 April 2022	114	215	39	368
Additions	-	14	-	14
AT 31 MARCH 2023	114	229	39	382
ACCUMULATED DEPRECIATION				
At 1 April 2022	114	209	39	362
Charge for the year	-	3	-	3
AT 31 MARCH 2023	114	212	39	365
NET BOOK VALUE AT 31 MARCH 2023	0	17	0	17
NET BOOK VALUE AT 31 MARCH 2022	0	6	0	6

All of the above assets are used for charitable purposes.

11. Intangible Fixed Assets

	DATABASE (£'000)	TOTAL (£'000)
COST		
At 1 April 2022	168	168
Additions	10	10
AT 31 MARCH 2023	178	178
ACCUMULATED DEPRECIATION		
At 1 April 2022	140	140
Charge for the year	11	11
AT 31 MARCH 2023	151	151
NET BOOK VALUE AT 31 MARCH 2023	27	27
NET BOOK VALUE AT 31 MARCH 2022	28	28

All of the above assets are used for charitable purposes.

12. Fixed Asset Investments

	ENDOWMENT		RESTRICTED LISTED (£'000)	GENERAL/ DESIGNATED LISTED (£'000)	TOTAL 2023 (£'000)	TOTAL 2022 (£'000)
	LISTED (£'000)	UNLISTED (£'000)				
Market value at 1 April 2022	66,324	1	721	0	67,046	63,396
Non-market adjustment to unquoted investment value		-	-	0	-	0
Additions at cost	48,015	7	10	0	48,032	18,944
Disposal proceeds	(50,009)	-	(125)	0	(50,134)	-19,983
TOTAL	64,330	8	606	0	64,944	62,357
Investment gains/(losses)	(4,359)	0	(4)	0	(4,363)	4689
Due to unrestricted	(463)	0	0	463	0	0
Allocated to designated fund not yet withdrawn	(2,000)	0	0	2,000	0	0
AT 31 MARCH 2023	57,508	8	602	2,463	60,581	67,046
HISTORICAL COST AT 31 MARCH 2023	47,419	1	537	2,463	50,420	55,331

The restricted investment comprises the Graphite Capital Bursary Fund and represents funds received from Graphite Capital, a leading private equity investor, which are invested in the Ruffer Charity Assets Trust. These funds are being drawn down over a 10-year period commencing in October 2014 to support grant awards to estranged young people through our Chances for Children grant provision. Further restricted funds were received during the period in the amount of £250,000 from the Edward Gostling Foundation, which are invested in the Ruffer Charity Assets Trust. These funds are being drawn down to support Chances for Children grants over a 10-year period commencing in the year 2022/23.

Listed and Unlisted Investments in the Endowment Fund are direct holdings of the Charity.

Cash invested in the Institutional Cash Series Fund at 31 March 2023 was £1,228,830 (2022: £2,251,016).

Subsequent to the year end, the total value of the fixed asset investments has fallen to £53.5m as of 31 July 2023 which is a decrease of about 7.5%

13. Debtors

	2023 (£'000)	2022 (£'000)
Prepayments & accrued income	231	202
Other debtors	257	269
TOTAL	488	471

14. Creditors

	2023 (£'000)	2022 (£'000)
Amounts falling due within one year:		
Accruals for CCG grants	735	404
Accruals	99	52
Deferred income	164	125
Other creditors	100	74
TOTAL	1098	655

15. Amounts Falling Due After More Than One Year

	2023 (£'000)	2022 (£'000)
Deferred income	316	325
TOTAL	316	325

Deferred income comprises grant income received in the current accounting period which will be spent in future accounting periods.

	2023 (£'000)	2022 (£'000)
Reconciliation of deferred income		
Balance brought forward at 1 April	450	300
Amounts released to income	(125)	(100)
Deferred in year	155	250
BALANCE CARRIED FORWARD AT 31 MARCH 2023	480	450

16a. Transfers Between Funds (Current year)

Current year - The following transfers were made between funds during the year:	ENDOWMENT FUND (£'000)	RESTRICTED FUND (£'000)	GENERAL FUND (£'000)
Transfer to Restricted Funds from General Funds in relation to support recovery costs	-	-	-
Funds incorrectly disclosed as Restricted in prior year	-	-	-
Transfer from unapplied total return to General and Restricted Funds in respect of charitable activities:			
Regular transfer	(2,644)	(6)	2,650
Single transfer	(2,000)	-	2,000
NET MOVEMENTS IN 2022-23	(4,644)	(6)	4,650

16b. Transfers Between Funds (Prior year)

Prior year - The following transfers were made between funds during the year:	ENDOWMENT FUND (£'000)	RESTRICTED FUND (£'000)	GENERAL FUND (£'000)
Transfer from Restricted Funds to General Funds in relation to support recovery costs	-	-	-
Funds incorrectly disclosed as Restricted in prior year	-	-	-
Transfer from unapplied total return to General and Restricted Funds in respect of charitable activities			
Regular transfer	(2,394)	(6)	2,400
Single transfer			
NET MOVEMENTS IN 2021-22	(2,394)	(6)	(2,400)

17a. Restricted Funds (Current Year)

	BALANCE 1 APR 22 (£'000)	INCOME (£'000)	EXPENDITURE (£'000)	TRANSFERS & INVESTMENT GAINS/(LOSES) (£'000)	BALANCE 31 MAR 23 (£'000)
FOR GRANTS					
Westnedge	-	5	(6)	1	-
Comic Relief	2	285	(281)	-	7
Postcode Lottery	3	100	(100)	-	2
CTF	219	3	(210)	-	12
Graphite Capital	114	127	(100)	(3)	138
Edward Gostling	1	28	(28)	(1)	-
City Bridge Trust	16	-	(16)	-	-
Mercers	199	(154)	(45)	-	-
KPMG Foundation	25	28	(40)	-	12
Clothworkers' Foundation	37	40	(36)	-	41
Garfield Weston	165	200	(217)	-	148
Colin Crawshaw	50	50	(50)	-	50
Dulverton Trust	37	35	(36)	-	36
Various	673	1,690	(1,357)	(7)	998
TOTAL	1,540	2,437	(2,522)	(10)	1,445

Transfers to/from restricted funds, also disclosed in Note 12 above, have been made principally to match administration and support costs funded by donors for a specific project or grant programme or where funds have been incorrectly disclosed in prior years.

Use of Restricted Funds

Westnedge	Chances for Children grants for adopted children
Graphite Capital	Chances for Children grants, estranged young people in UK
Postcode Lottery	Chances for Children grants
Comic Relief	Chances for Children grants
Mercers' Company	Chances for Children, support for Boarding
Clothworkers' Foundation	Chances for Children grants
Garfield Weston Foundation	Chances for Children grants, estranged young people in UK
CTF	Chances for Children grants
KPMG Foundation	Chances for Children grants
Dulverton trust	Chances for Children grants

17b. Restricted Funds (Prior year)

	BALANCE 1 APR 21 (£'000)	INCOME (£'000)	EXPENDITURE (£'000)	TRANSFERS & INVESTMENT GAINS (£'000)	BALANCE 31 MAR 22 (£'000)
FOR GRANTS					
Westnedge	-	5	(6)	1	-
NLCF Covid response	313	-	(321)	-	(8)
National Lottery	7	-	-	1	8
Postcode Lottery	3	100	(100)	-	3
CTF	215	10	(6)	-	219
Graphite Capital	193	100	(118)	(61)	114
Edward Gostling	-	-	-	1	1
City Bridge Trust	16	-	-	-	16
Comic Relief	101	76	(175)	-	2
Mercers' Company	238	45	(84)	-	199
KPMG Foundation	1	50	(26)	-	25
Clothworkers' Foundation	37	35	(35)	-	37
Garfield Weston	15	200	(50)	-	165
Masonic Foundation	60	-	(60)	-	(0)
Colin Crawshaw	100	50	(100)	-	50
STV Appeal	-	-	-	-	-
Dulverton Trust	2	35	-	-	37
Various	1,020	1,026	(1,466)	92	673
TOTAL	2,321	1,732	(2,547)	34	1,540

18a. Designated Funds (current year)

	BALANCE 1 APR 22 (£'000)	INCOME (£'000)	EXPENDITURE (£'000)	TRANSFERS & INVESTMENT GAINS (£'000)	BALANCE 31 MAR 23 (£'000)
Buttle UK Stepping UP Fund	999	-	(1,021)	2,000	1,978
TOTAL	999	-	(1,021)	2,000	1,978

The Board of Trustees applied £2m from available funds to spend on Chances for Children grants over the two years 2021-22 & 2022-23 in equal amounts. In the current year, a further £2m has been applied to be spent on Chances for Children grants during the 3 years 2023-24 to 2025-26.

18b. Designated Funds (prior year)

	BALANCE 1 APR 21 (£'000)	INCOME (£'000)	EXPENDITURE (£'000)	TRANSFERS & INVESTMENT GAINS (£'000)	BALANCE 31 MAR 22 (£'000)
Buttle UK Stepping UP Fund	2,000	-	1,001		999
TOTAL	2,000	-	1,001		999

19a. Analysis of Net Assets (current year)

	ENDOWMENT FUND (£'000)	RESTRICTED FUNDS (£'000)	UNRESTRICTED GENERAL FUNDS & DESIGNATED FUNDS (£'000)	TOTAL FUNDS (£'000)
Fixed assets	-	-	44	44
Investments	57,516	602	2,463	60,581
Current assets	141	2,058	832	3,031
Current liabilities	(53)	(899)	(146)	(1,098)
Long term liabilities	-	(316)	-	(316)
TOTAL	57,604	1,445	3,193	62,242

19b. Analysis of Net Assets (prior year)

	ENDOWMENT FUND (£'000)	RESTRICTED FUNDS (£'000)	UNRESTRICTED GENERAL (£'000)	TOTAL FUNDS (£'000)
Fixed assets	-	-	34	34
Investments	66,325	721	-	67,046
Current assets	(654)	1,673	2,233	3,252
Current liabilities		(529)	(126)	(655)
Long term liabilities	-	(325)	-	(325)
TOTAL	65,671	1,540	2,141	69,352

20. Total Return Application

The Charity Commission permitted the Charity to adopt the use of the total investment powers in relation to its permanent endowment investments by an order dated 28 March 2006. The power permits the Trustees to invest the portfolio to maximize total return and to apply an appropriate portion of the unapplied total return to income each year. Until the power is exercised to transfer a portion of unapplied total return to income (as disclosed in the funds transfers, note 16a), the unapplied total return remains invested as part of the permanent endowment. The power was implemented on 1 April 2006.

The Westnedge Fund refers to a legacy received in 2001 as a permanent endowment for the benefit of adopted children.

The investment fund and application of total return to permanent endowment funds	MAIN FUND (£'000)	WESTNEDGE FUND (£'000)	TOTAL 2023 (£'000)
Value of permanent endowment at 1 April 22	65,548	117	65,665
Less: Value of Main Fund at 5 April 1978	(7,247)	-	(7,247)
Less: Value of Westnedge Fund at 31 March 2002	-	(73)	(73)
Unapplied total return at 1 April	58,301	44	58,345
Add: Investment return		-	-
Add: Dividends and interest in the year	1,293	3	1,296
Add: Realised and unrealised gains/(losses)	(4,357)	(2)	(4,359)
Deduct: Investment management fees	(347)	(1)	(348)
Unapplied total return before transfer to income	54,890	44	54,934
Less: Allocated to designated fund	(2,000)	-	(2,000)
Less: Unapplied total return applied in year	(2,644)	(6)	(2,650)
Unapplied total return at 31 March	50,246	38	50,284
Add: Endowment value at 5 April 1978	7,247	-	7,247
Add: Endowment value at 31 March 2002	-	73	73
Permanent endowment including unapplied total return at 31 March, constituting the investment fund	57,493	111	57,604

21. Operating Lease Commitments

The Charity had total future minimum lease payments under non-cancellable operating leases as follows for each of the following periods:

	2023 (£'000)	2022 (£'000)
Less than one year	149	149
Between two & five years	75	224
TOTAL	224	373

22. Reconciliation Of Net Income/(Expenditure) To Net Cash Flow From Operating Activities

	2023 (£'000)	2022 (£'000)
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(7,110)	1,585
Depreciation/Amortisation	14	42
Losses/(Gains) on investments	4,363	(4,689)
Non-market adjustment to unquoted investment value	-	-
Investment income	(1,299)	(1,293)
(Increase)/decrease in debtors	(17)	(354)
Increase/(decrease) in creditors	434	474
NET CASH PROVIDED USED IN OPERATING ACTIVITIES	(3,615)	(4,235)

23a. Analysis of Net Debt (current year)

	AT 1st APRIL 2022 (£'000)	CASH FLOWS (£'000)	OTHER CHANGES (£'000)	AT 31st MARCH 2023 (£'000)
Cash at bank & in hand	(38)	783	-	745
Bank deposits (less than 3 months)	2,819	(1,021)	-	1,798
TOTAL CASH & CASH EQUIVALENTS	2,781	(238)	-	2,543

The charity does not hold any debt therefore the net debt analysis has not been provided.

23b. Analysis of Net Debt (prior year)

	AT 1st APRIL 2021 (£'000)	CASH FLOWS (£'000)	OTHER CHANGES (£'000)	AT 31st MARCH 2022 (£'000)
Cash at bank & in hand	1,575	(1,613)	-	(38)
Bank deposits (less than 3 months)	3,114	(295)	-	2,819
TOTAL CASH & CASH EQUIVALENTS	4,689	(1,908)	-	2,781





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